

TIME WARNER INC.  
Form 4  
January 27, 2017

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Averill Howard M

(Last) (First) (Middle)

ONE TIME WARNER CENTER

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
TIME WARNER INC. [TWX]

3. Date of Earliest Transaction  
(Month/Day/Year)

01/26/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

EVP & Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Performance Stock Units	(1)	01/26/2017	A	10,072 (2)					02/15/2017	02/15/2017	Common Stock, Par Value \$.01	10,0

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Averill Howard M ONE TIME WARNER CENTER NEW YORK, NY 10019			EVP & Chief Financial Officer	

## Signatures

By: Brenda C. Karickhoff for Howard M. Averill 01/27/2017

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each performance stock unit represents a contingent right to receive one share of common stock.

On January 26, 2017, the Compensation and Human Development Committee (the "Compensation Committee") approved a final payout of 199.2% of the 19,295 target performance stock units granted in 2014 (as adjusted for the spin-off of Time Inc.), under the performance standards set in 2014, based on (i) the Issuer's cumulative Adjusted EPS achieved during the performance period, which resulted in an Adjusted EPS factor of 166% and (ii) its total stockholder return for the performance period compared to the other companies in the S&P 500, which resulted in a TSR modifier of 120%. The payout factor for the performance stock units is determined by multiplying the Adjusted EPS factor and the TSR modifier. As a result, an additional 10,072 shares will vest on February 15, 2017 with respect to the Reporting Person's 2014 performance stock unit award. These shares represent the difference between the number of shares that would vest and be paid out based on the final 199.2% payout factor and the 28,363 shares that vested on December 15, 2016 in connection with actions approved by the Compensation Committee to mitigate the potential adverse tax consequences to Time Warner Inc. and the Reporting Person of Section 280G of the Internal Revenue Code in connection with the pending acquisition of Time Warner Inc. by AT&T Inc. The vesting and payout of shares in December 2016 related to the 2014 performance stock units were reported on a Form 4 filed by the Reporting Person on December 16, 2016.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.